

# **APPENDIX 11**

## **Exhibit “I”**

### **Lender Consents to Speer’s purchase of Manners’ Interest in Royce**

CONSENT AND WAIVERS

<u>BANK</u>
Royal Bank of Canada (RBC) Centura
Wachovia Bank
First Bank & Trust
First Horizon
Comerica
Guaranty Bank
Regions Bank
Key Bank
Texas Capital Bank
Citibank
Capital One

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**CONSENT AND WAIVER**

August 16, 2006

Mr. Chad Botkin  
RBC Centura  
11011 Richmond  
Suite 850  
Houston, Texas 77042

Re: [Loan] Agreement dated as of March 16, 2005 (as amended from time to time, the "*Financing Agreement*"), among Royce Homes, LP ("*Royce Homes*"), and the "*Companies*" as defined below, and RBC Centura, as lender ("*Lender*"); unless otherwise defined herein, all terms used herein shall have the meanings given such terms in the Financing Agreement.

Mr. Botkin:

The Companies have advised Lender that John Speer (the "*Buyer*") intends to enter into a Contribution Agreement and Interest Purchase Agreement with Michael G. Manners, DWM Holdings, Inc. and Saracen Holdings, Inc. (collectively the "*Seller*"), pursuant to which (a) Seller and Buyer (together with the other owners of the Companies which are affiliates of Buyer) will contribute their direct and indirect ownership interests in the Companies to a newly formed limited partnership known as Royce Holdings, L.P. and (b) Seller will sell to Buyer and Buyer will purchase all equity interests of Seller in Royce Holdings, L.P.

The Companies contributed by the Buyer and Seller to Royce Holdings, L.P. consist of Royce Homes, L.P., Park Lake Communities, L.P., Royce Model Homes, L.P., Royce HomesPhoenix, LLC, Royce Homes Construction, LLC, Hammersmith Financial, L.P., and TCH Financial, L.P., together with all subsidiaries of such entities including but not limited to Royce Homes - Atlanta, LLC, Royce Homes - Dallas, L.P., Royce Homes - North Carolina, L.L.C., Texas Colonial Homes, L.P. and TCH Land, L.P. (all such entities are referred to singularly or collectively as the "*Company*" or the "*Companies*", and such transaction or series of transactions are hereinafter referred to as the "*Ownership Consolidation*").

Lender hereby expressly (1) consents to the consummation of the Ownership Consolidation, (2) waives the Companies' compliance with any provisions in the Financing Agreement, or in any security agreement, deed of trust, mortgage, promissory note, collateral agreement or other loan document executed by any Company in connection with the loans and extensions of credit under the Financing Agreement, that would prohibit the change of control and transfer of ownership

Royce Homes • Espre Homes • Texas Colonial Homes • Enclave Homes • Michael Thomas Estate Homes  
Hammersmith Financial

Atlanta • Houston • Phoenix • Dallas/Fort Worth

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interests that are contemplated by the Ownership Consolidation, (3) waives any potential default, default or event of default (however therein referred to or defined) under the Financing Agreement, or in any security agreement, deed of trust, mortgage, promissory note, collateral agreement, or other loan document executed by any Company in connection with the loans and extensions of credit under the Financing Agreement that would arise as a result of the Ownership Consolidation or the transaction contemplated in connection therewith, and (4) waives any potential default, default or event of default (however therein referred to or defined) under any other indebtedness or obligations of any of the Companies to Lender or under any document executed by any Company in connection with such indebtedness or obligations that would arise as a result of the Ownership Consolidation or the transaction contemplated in connection therewith.

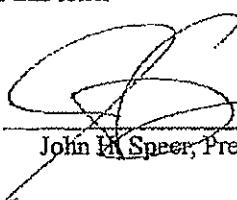
The consent and waiver herein are each a one-time consent and waiver, and nothing contained herein shall obligate Lender to grant any additional or future consent or waiver with respect to any other provision in the Financing Agreement, any security agreement, deed of trust, mortgage, promissory note, collateral agreement, or other loan document executed by the Companies in connection with the loans and extensions of credit under the Financing Agreement, or in connection with any other indebtedness of any Company to Lender.

If you are in agreement with the foregoing, please execute this letter in the space indicated below and return an executed counterpart of this letter to Porter & Hedges, L.L.P., counsel to the Companies, at 1000 Main Street, 36<sup>th</sup> Floor, Houston, Texas 77002, Attn: Joyce Kao Soliman (fax 713-226-6685 / [jsoliman@porterhedges.com](mailto:jsoliman@porterhedges.com)). This consent and waiver will be effective and shall constitute a valid and binding agreement of the Companies and Lender when counterparts of this letter have been executed and delivered by the Companies and Lender. It is not necessary that all signatures appear on the same counterpart. Facsimiles or PDF (portable document format) copies are effective as originals.

Sincerely,

ROYCE HOMES, LP,  
on behalf of itself and the other Companies referred  
to in this letter

By:

  
John H. Speer, President

AUGUST 25, 2006

Accepted and Agreed as of 1, 2006.

RBC CENTURA

By:

  
Chad E. Botkin

Name: Chad E. Botkin

Title: Vice President

AMEGY007468

From:

08/30/2006 08:54 1567 P.002/03

## CONSENT AND WAIVER

2006

Mr. Tommy Johnson  
Wachovia Bank  
9601 Katy Freeway, Suite 315  
Houston, Texas 77024

Re: Loan Agreement dated as of December 1, 2003 (as amended, restated, supplemented, renewed or extended from time to time, the "Financing Agreement"), among Royce Homes, LP ("Royce Homes"), and certain of the "Companies" as defined below, and Wachovia Bank, as lender ("Lender"); unless otherwise defined herein, all terms used herein shall have the meanings given such terms in the Financing Agreement.

Dear Mr. Johnson:

The Companies have advised Lender that John Speer (the "Buyer") intends to enter into a Contribution Agreement and Interest Purchase Agreement with Michael G. Manners, DWM Holdings, Inc. and Suracen Holdings, Inc. (collectively the "Seller"), pursuant to which (a) Seller and Buyer (together with the other owners of the Companies which are affiliates of Buyer) will contribute their direct and indirect ownership interests in the Companies to a newly formed limited partnership known as Royce Holdings, L.P. and (b) Seller will sell to Buyer and Buyer will purchase all equity interests of Seller in Royce Holdings, L.P.

The Companies contributed by the Buyer and Seller to Royce Holdings, L.P. consist of Royce Homes, L.P., Park Lake Communities, L.P., Royce Model Homes, LP, Royce Homes-Phoenix, LLC, Royce Homes Construction, LLC, Hammersmith Financial, LP, and TCH Financial, L.P., together with all subsidiaries of such entities including but not limited to Royce Homes - Atlanta, LLC, Royce Homes - Dallas, L.P., Royce Homes - North Carolina, L.L.C., Texas Colonial Homes, L.P. and TCH Land, LP (all such entities are referred to singularly or collectively as the "Company" or the "Companies", and such transaction or series of transactions are hereinafter referred to as the "Ownership Consolidation").

Lender hereby expressly (1) consents to the consummation of the Ownership Consolidation, (2) waives the Companies' compliance with any provisions in the Financing Agreement, or in any security agreement, deed of trust, mortgage, promissory note, collateral agreement or other loan document executed by any Company in connection with the loans and extensions of credit under the Financing Agreement, that would prohibit the change of control and transfer of ownership interests that are contemplated by the Ownership Consolidation, and (3) waives any potential default, default or event of default (however herein referred to or defined) under the Financing Agreement, or in any security agreement, deed of trust, mortgage, promissory note, collateral agreement, or other loan document executed by any Company in

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From:

06/30/2006 08:54 #67 R.008/003

2006  
Page 2

connection with the loans and extensions of credit under the Financing Agreement that would arise as a result of the contribution of interests or change in ownership of any of the Companies required to consummate the Ownership Consolidation.

The consent and waiver herein are each a one-time consent and waiver, and nothing contained herein shall obligate Lender to grant any additional or future consent or waiver with respect to any other provision in the Financing Agreement, any security agreement, deed of trust, mortgage, promissory note, collateral agreement, or other loan document executed by the Companies in connection with the loans and extensions of credit under the Financing Agreement, or in connection with any other indebtedness of any Company to Lender.

If you are in agreement with the foregoing, please execute this letter in the space indicated below and return an executed counterpart of this letter to Porter & Hedges, L.L.P., counsel to the Companies, at 1000 Main Street, 36<sup>th</sup> Floor, Houston, Texas 77002, Attn: Joyce Kao Soliman (fax 713-226-6685 / jsoliman@porterhedges.com). This consent and waiver will be effective and shall constitute a valid and binding agreement of the Companies and Lender when counterparts of this letter have been executed and delivered by the Companies and Lender. It is not necessary that all signatures appear on the same counterpart. Facsimiles or PDF (portable document format) copies are effective as originals.

Sincerely,

**ROYCE HOMES, LP**  
on behalf of itself and the other Companies referred  
to in this letter

By: John R. Speer, President

Accepted and Agreed as of Aug. 30, 2006.

**WACHOVIA BANK**

By: Maurice M. Price  
Name: Maurice M. Price  
Title: Vice President

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**CONSENT AND WAIVER**  
August 16, 2006

Ms. Michele Alvarado  
First Bank & Trust  
8820 Westheimer  
Houston, Texas 77063

Re: [Loan] Agreement dated as of November, 2005 (as amended from time to time, the "*Financing Agreement*"), among Royce Homes, LP ("Royce Homes"), and the "*Companies*" as defined below, and First Bank & Trust, as lender ("Lender"); unless otherwise defined herein, all terms used herein shall have the meanings given such terms in the Financing Agreement.

Ms. Alvarado:

The Companies have advised Lender that John Speer (the "*Buyer*"), intends to enter into a Contribution Agreement and Interest Purchase Agreement with Michael G. Manners, DWM Holdings, Inc. and Saracen Holdings, Inc. (collectively the "*Seller*"), pursuant to which (a) Seller and Buyer (together with the other owners of the Companies which are affiliates of Buyer) will contribute their direct and indirect ownership interests in the Companies to a newly formed limited partnership known as Royce Holdings, L.P. and (b) Seller will sell to Buyer and Buyer will purchase all equity interests of Seller in Royce Holdings, L.P.

The Companies contributed by the Buyer and Seller to Royce Holdings, LP consist of Royce Homes, L.P., Park Lake Communities, L.P., Royce Model Homes, LP, Royce HomesPhoenix, LLC, Royce Homes Construction, LLC, Hammersmith Financial, LP, and TCH Financial, L.P., together with all subsidiaries of such entities including but not limited to Royce Homes - Atlanta, LLC, Royce Homes - Dallas, L.P., Royce Homes - North Carolina, L.L.C., Texas Colonial Homes, L.P. and TCH Laird, L.P. (all such entities are referred to singularly or collectively as the "*Company*" or the "*Companies*", and such transaction or series of transactions are hereinafter referred to as the "*Ownership Consolidation*").

Lender hereby expressly (1) consents to the consummation of the Ownership Consolidation, (2) waives the Companies' compliance with any provisions in the Financing Agreement, or in any security agreement, deed of trust, mortgage, promissory note, collateral agreement or other loan document executed by any Company in connection with the loans and extensions of credit under the Financing Agreement, that would prohibit the change of control and transfer of ownership

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Hammersmith Financial

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interests that are contemplated by the Ownership Consolidation, (3) waives any potential default, default or event of default (however therein referred to or defined) under the Financing Agreement, or in any security agreement, deed of trust, mortgage, promissory note, collateral agreement, or other loan document executed by any Company in connection with the loans and extensions of credit under the Financing Agreement that would arise as a result of the Ownership Consolidation or the transaction contemplated in connection therewith, and (4) waives any potential default, default or event of default (however therein referred to or defined) under any other indebtedness or obligations of any of the Companies to Lender or under any document executed by any Company in connection with such indebtedness or obligations that would arise as a result of the Ownership Consolidation or the transaction contemplated in connection therewith.

The consent and waiver herein are each a one-time consent and waiver, and nothing contained herein shall obligate Lender to grant any additional or future consent or waiver with respect to any other provision in the Financing Agreement, any security agreement, deed of trust, mortgage, promissory note, collateral agreement, or other loan document executed by the Companies in connection with the loans and extensions of credit under the Financing Agreement, or in connection with any other indebtedness of any Company to Lender.

If you are in agreement with the foregoing, please execute this letter in the space indicated below and return an executed counterpart of this letter to Porter & Hedges, L.L.P., counsel to the Companies, at 1000 Main Street, 36<sup>th</sup> Floor, Houston, Texas 77002, Attn: Joyce Kao Soliman (fax 713-226-6685 / [jsoliman@porterhedges.com](mailto:jsoliman@porterhedges.com)). This consent and waiver will be effective and shall constitute a valid and binding agreement of the Companies and Lender when counterparts of this letter have been executed and delivered by the Companies and Lender. It is not necessary that all signatures appear on the same counterpart. Facsimiles or PDF (portable document format) copies are effective as originals.

Sincerely,

ROYCE HOMES, LP,  
on behalf of itself and the other Companies referred  
to in this letter

By:

  
John H. Speer, President

Accepted and Agreed as of , 2006.

FIRST BANK & TRUST

By:

Name: Michele B Alvarado  
Title: SVP

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**CONSENT AND WAIVER**

August 16, 2006

*Mary Unbourn*

Mr. Charles Dunshie  
First Horizon  
1250 Wood Branch Park Drive  
Suite 600  
Houston, Texas 77079

Re: [Loan] Agreement dated as of December 15, 2003 (as amended from time to time, the "*Financing Agreement*"), among Royce Homes, LP ("Royce Homes"), and the "*Companies*" as defined below, and First Horizon, as lender ("*Lender*"); unless otherwise defined herein, all terms used herein shall have the meanings given such terms in the *Financing Agreement*.

Mr. Dunshie:

The Companies have advised Lender that John Speer (the "*Buyer*") intends to enter into a Contribution Agreement and Interest Purchase Agreement with Michael G. Manners, DWM Holdings, Inc. and Saracen Holdings, Inc. (collectively the "*Seller*"), pursuant to which (a) Seller and Buyer (together with the other owners of the Companies which are affiliates of Buyer) will contribute their direct and indirect ownership interests in the Companies to a newly formed limited partnership known as Royce Holdings, L.P. and (b) Seller will sell to Buyer and Buyer will purchase all equity interests of Seller in Royce Holdings, L.P.

The Companies contributed by the Buyer and Seller to Royce Holdings, LP consist of Royce Homes, L.P., Park Lake Communities, L.P., Royce Model Homes, LP, Royce HomesPhoenix, LLC, Royce Homes Construction, LLC, Hammersmith Financial, LP, and TCH Financial, L.P., together with all subsidiaries of such entities including but not limited to Royce Homes - Atlanta, LLC, Royce Homes - Dallas, L.P., Royce Homes - North Carolina, L.L.C., Texas Colonial Homes, L.P. and TCH Land, LP (all such entities are referred to singularly or collectively as the "*Company*" or the "*Companies*", and such transaction or series of transactions are hereinafter referred to as the "*Ownership Consolidation*").

Lender hereby expressly (1) consents to the consummation of the *Ownership Consolidation*, (2) waives the Companies' compliance with any provisions in the *Financing Agreement*, or in any security agreement, deed of trust, mortgage, promissory note, collateral agreement or other loan document executed by any Company in connection with the loans and extensions of credit under the *Financing Agreement*, that would prohibit the change of control and transfer of ownership

Royce Homes • Espree Homes • Texas Colonial Homes • Enclave Homes • Michael Thomas Estate Homes  
Hammersmith Financial

Atlanta • Houston • Phoenix • Dallas/Fort Worth

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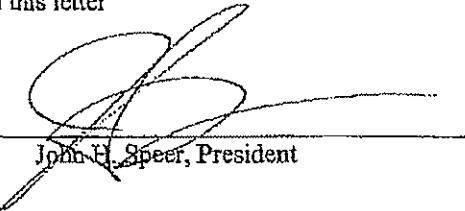
interests that are contemplated by the Ownership Consolidation, (3) waives any potential default, default or event of default (however therein referred to or defined) under the Financing Agreement, or in any security agreement, deed of trust, mortgage, promissory note, collateral agreement, or other loan document executed by any Company in connection with the loans and extensions of credit under the Financing Agreement that would arise as a result of the Ownership Consolidation or the transaction contemplated in connection therewith, and (4) waives any potential default, default or event of default (however therein referred to or defined) under any other indebtedness or obligations of any of the Companies to Lender or under any document executed by any Company in connection with such indebtedness or obligations that would arise as a result of the Ownership Consolidation or the transaction contemplated in connection therewith.

The consent and waiver herein are each a one-time consent and waiver, and nothing contained herein shall obligate Lender to grant any additional or future consent or waiver with respect to any other provision in the Financing Agreement, any security agreement, deed of trust, mortgage, promissory note, collateral agreement, or other loan document executed by the Companies in connection with the loans and extensions of credit under the Financing Agreement, or in connection with any other indebtedness of any Company to Lender.

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Sincerely,

**ROYCE HOMES, LP,**  
on behalf of itself and the other Companies referred  
to in this letter

By: 

John H. Speer, President

Accepted and Agreed as of 11, 2006.

FIRST HORIZON

By: Marty Winbourn  
Name: MARTY WINBOURN  
Title: VICE PRESIDENT

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CONSENT AND WAIVER  
August 16, 2006

Mr. Larry Stroud  
Comerica  
One Shell Plaza  
Mail Code 6552  
910 Louisiana, Suite 300  
Houston, Texas 77002

Re: [Loan] Agreement dated as of August 1, 2003 (as amended) from time to time, the "Financing Agreement", among Royce Homes, L.P. ("Royce Homes"), and the "Companies" as defined below, and Comerica, as lender ("Lender"); unless otherwise defined herein, all terms used herein shall have the meanings given such terms in the Financing Agreement.

Mr. Stroud:

The Companies have advised Lender that John Speer (the "Buyer") intends to enter into a Contribution Agreement and Interest Purchase Agreement with Michael G. Mafumets, DWM Holdings, Inc. and Saraces Holdings, Inc. (collectively the "Seller"), pursuant to which (a) Seller and Buyer (together with the other owners of the Companies which are affiliates of Buyer) will contribute their direct and indirect ownership interests in the Companies to a newly formed limited partnership known as Royce Holdings, L.P. and (b) Seller will sell to Buyer and Buyer will purchase all equity interests of Seller in Royce Holdings, L.P.

The Companies contributed by the Buyer and Seller to Royce Holdings, L.P. consist of Royce Homes, L.P., Park Lake Communities, L.P., Royce Model Homes, L.P., Royce HomesPhoenix, LLC, Royce Homes Construction, LLC, Hammersmith Financial, L.P. and TCH Financial, L.P. together with all subsidiaries of such entities including but not limited to Royce Homes, Atlanta, LLC, Royce Homes - Dallas, L.P., Royce Homes - North Carolina, L.L.C., Texas Colonial Homes, L.P. and TCH Land, L.P. (all such entities are referred to singularly or collectively as the "Company" or the "Companies", and such transaction or series of transactions are hereinafter referred to as the "Ownership Consolidation").

Lender hereby expressly (1) consents to the consummation of the Ownership Consolidation, (2) waives the Companies' compliance with any provisions in the Financing Agreement, or in any security agreement, deed of trust, mortgage, promissory note, collateral agreement or other loan document executed by any Company in connection with the loans and extensions of credit under the Financing Agreement, that would prohibit the change of control and transfer of ownership.

Royce Homes • Express Homes •

Hammersmith Financial

• Encaya Homes • Michael G. Mafumets • Royce Homes

AMERICAN HOMES • PLATINUM • DOWNTOWN • WILDFIRE

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interests that are contemplated by the Ownership Consolidation, (3) waives any potential default, default or event of default (however therein referred to or defined) under the Financing Agreement, or in any security agreement, deed of trust, mortgage, promissory note, collateral agreement, or other loan document executed by any Company in connection with the loans and extensions of credit under the Financing Agreement that would arise as a result of the Ownership Consolidation or the transaction contemplated in connection therewith, and (4) waives any potential default, default or event of default (however therein referred to or defined) under any other indebtedness or obligations of any of the Companies to Lender or under any document executed by any Company in connection with such indebtedness or obligations that would arise as a result of the Ownership Consolidation or the transaction contemplated in connection therewith.

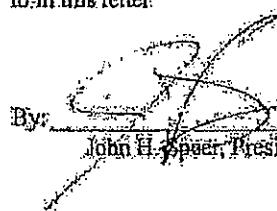
The consent and waiver herein are each a one-time consent and waiver, and nothing contained herein shall obligate Lender to grant any additional or future consent or waiver with respect to any other provision in the Financing Agreement, any security agreement, deed of trust, mortgage, promissory note, collateral agreement, or other loan document executed by the Companies in connection with the loans and extensions of credit under the Financing Agreement, or in connection with any other indebtedness of any Company to Lender.

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Sincerely,

**ROYCE HOMES, LP,**  
on behalf of itself and the other Companies referred  
to in this letter

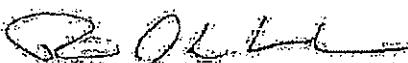
By:

  
John H. Kupper, President

Accepted and Agreed as of 11, 2006.

**COMERICA**

By:

  
Paul E. Kennedy

Name: Paul E. Kennedy

Title: Assistant Vice President

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**CONSENT AND WAIVER**  
August 16, 2006

Mr. Sam Meade  
Guaranty Bank  
8333 Douglas Avenue  
Dallas, Texas 75225

Re: [Loan] Agreement dated as of May 6, 1996 (as amended from time to time, the "*Financing Agreement*"), among Royce Homes, LP ("Royce Homes"), and the "*Companies*" as defined below, and Guaranty Bank, as lender ("Lender"); unless otherwise defined herein, all terms used herein shall have the meanings given such terms in the Financing Agreement.

Mr. Meade:

The Companies have advised Lender that John Speer (the "*Buyer*") intends to enter into a Contribution Agreement and Interest Purchase Agreement with Michael G. Manners, DWM Holdings, Inc. and Saracen Holdings, Inc. (collectively the "*Seller*"), pursuant to which (a) Seller and Buyer (together with the other owners of the Companies which are affiliates of Buyer) will contribute their direct and indirect ownership interests in the Companies to a newly formed limited partnership known as Royce Holdings, L.P. and (b) Seller will sell to Buyer and Buyer will purchase all equity interests of Seller in Royce Holdings, L.P.

The Companies contributed by the Buyer and Seller to Royce Holdings, LP consist of Royce Homes, L.P., Park Lake Communities, L.P., Royce Model Homes, LP, Royce HomesPhoenix, LLC, Royce Homes Construction, LLC, Hammersmith Financial, LP, and TCH Financial, L.P., together with all subsidiaries of such entities including but not limited to Royce Homes - Atlanta, LLC, Royce Homes - Dallas, L.P., Royce Homes - North Carolina, L.L.C., Texas Colonial Homes, L.P. and TCH Land, LP (all such entities are referred to singularly or collectively as the "*Company*" or the "*Companies*", and such transaction or series of transactions are hereinafter referred to as the "*Ownership Consolidation*").

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Hammersmith Financial  
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interests that are contemplated by the Ownership Consolidation, (3) waives any potential default, default or event of default (however therein referred to or defined) under the Financing Agreement, or in any security agreement, deed of trust, mortgage, promissory note, collateral agreement, or other loan document executed by any Company in connection with the loans and extensions of credit under the Financing Agreement that would arise as a result of the Ownership Consolidation or the transaction contemplated in connection therewith, and (4) waives any potential default, default or event of default (however therein referred to or defined) under any other indebtedness or obligations of any of the Companies to Lender or under any document executed by any Company in connection with such indebtedness or obligations that would arise as a result of the Ownership Consolidation or the transaction contemplated in connection therewith.

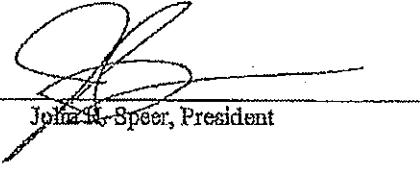
The consent and waiver herein are each a one-time consent and waiver, and nothing contained herein shall obligate Lender to grant any additional or future consent or waiver with respect to any other provision in the Financing Agreement, any security agreement, deed of trust, mortgage, promissory note, collateral agreement, or other loan document executed by the Companies in connection with the loans and extensions of credit under the Financing Agreement, or in connection with any other indebtedness of any Company to Lender.

If you are in agreement with the foregoing, please execute this letter in the space indicated below and return an executed counterpart of this letter to Porter & Hedges, L.L.P., counsel to the Companies, at 1000 Main Street, 36<sup>th</sup> Floor, Houston, Texas 77002, Attn: Joyce Kao Soliman (fax 713-226-6685 / [jsoliman@porterhedges.com](mailto:jsoliman@porterhedges.com)). This consent and waiver will be effective and shall constitute a valid and binding agreement of the Companies and Lender when counterparts of this letter have been executed and delivered by the Companies and Lender. It is not necessary that all signatures appear on the same counterpart. Facsimiles or PDF (portable document format) copies are effective as originals.

Sincerely,

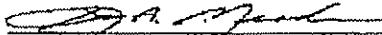
ROYCE HOMES, LP,  
on behalf of itself and the other Companies referred  
to in this letter

By:

  
John M. Speer, President

Accepted and Agreed as of , 2006.

GUARANTY BANK

By:   
Name: SAM H. MEADE  
Title: Senior Vice President

AMEGY007478

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**CONSENT AND WAIVER**

August 16, 2006

Mr. Gary Barth  
Regions Bank  
999 North Shepherd  
Houston, Texas 77008

Re: [Loan] Agreement dated as of April 30, 2004 (as amended from time to time, the "Financing Agreement"), among Royce Homes, L.P. ("Royce Homes"), and the "Companies" as defined below, and Regions Bank as lender ("Lender"); unless otherwise defined herein, all terms used herein shall have the meanings given such terms in the Financing Agreement.

Mr. Barth:

The Companies have advised Lender that John Speer (the "Buyer") intends to enter into a Contribution Agreement and Interest Purchase Agreement with Michael G. Manners, DWM Holdings, Inc. and Sargento Holdings, Inc. (collectively the "Seller"), pursuant to which (a) Seller and Buyer (together with the other owners of the Companies which are affiliates of Buyer) will contribute their direct and indirect ownership interests in the Companies to a newly formed limited partnership known as Royce Holdings, L.P. and (b) Seller will sell to Buyer and Buyer will purchase all equity interests of Seller in Royce Holdings, L.P.

The Companies contributed by the Buyer and Seller to Royce Holdings, L.P. consist of Royce Homes, L.P., Park Lake Communities, L.P., Royce Model Homes, L.P., Royce HomesPhoenix, L.L.C., Royce Homes Construction, L.L.C., Hammersmith Financial, L.P., and TCH Financial, L.P., together with all subsidiaries of such entities including but not limited to Royce Homes - Atlanta, L.L.C., Royce Homes - Dallas, L.P., Royce Homes - North Carolina, L.L.C., Texas Colonial Homes, L.P. and TCH Land, L.P. (all such entities are referred to singularly or collectively as the "Company" or the "Companies" and such transaction or series of transactions are hereinafter referred to as the "Ownership Consolidation").

Lender hereby expressly (1) consents to the consummation of the Ownership Consolidation, (2) waives the Companies' compliance with any provisions in the Financing Agreement, or in any security agreement, deed of trust, mortgage, promissory note, collateral agreement or other loan document executed by any Company in connection with the loans and extensions of credit under the Financing Agreement, that would prohibit the change of control and transfer of ownership

Royce Homes • Esprea Homes • Texas Colonial Homes • Enclave Homes • Michael Thomas Estate Homes  
Hammersmith Financial

Atlanta • Houston • Philadelphia • Dallas • Fort Worth

AMEGY007479

interests that are contemplated by the Ownership Consolidation, (3) waives any potential default, default or event of default (however therein referred to or defined) under the Financing Agreement, or in any security agreement, deed of trust, mortgage, promissory note, collateral agreement, or other loan document executed by any Company in connection with the loans and extensions of credit under the Financing Agreement that would arise as a result of the Ownership Consolidation or the transaction contemplated in connection therewith, and (4) waives any potential default, default or event of default (however therein referred to or defined) under any other indebtedness or obligations of any of the Companies to Lender or under any document executed by any Company in connection with such indebtedness or obligations that would arise as a result of the Ownership Consolidation or the transaction contemplated in connection therewith.

The consent and waiver herein are each a one-time consent and waiver, and nothing contained herein shall obligate Lender to grant any additional or future consent or waiver with respect to any other provision in the Financing Agreement, any security agreement, deed of trust, mortgage, promissory note, collateral agreement, or other loan document executed by the Companies in connection with the loans and extensions of credit under the Financing Agreement, or in connection with any other indebtedness of any Company to Lender.

If you are in agreement with the foregoing, please execute this letter in the space indicated below and return an executed counterpart of this letter to Porter & Hedges, L.L.P., counsel to the Companies, at 1000 Main Street, 36<sup>th</sup> Floor, Houston, Texas 77002, Attn: Joyce Kao Soliman (fax 713.226.6685 / [jsoliman@porterhedges.com](mailto:jsoliman@porterhedges.com)). This consent and waiver will be effective and shall constitute a valid and binding agreement of the Companies and Lender when counterparts of this letter have been executed and delivered by the Companies and Lender. It is not necessary that all signatures appear on the same counterpart. Facsimiles or PDF (portable document format) copies are effective as originals.

Sincerely,

ROYCE HOMES, LP,  
on behalf of itself and the other Companies referred  
to in this letter

By:

  
John H. Speer, President

Accepted and Agreed as of 2/29, 2006.

REGIONS BANK

By:   
Name: GARY E. BARTH  
Title: SENIOR VICE PRESIDENT

AMEGY007480



CONSENT AND WAIVER

August 16, 2006

Mr. John Swanson  
Key Bank  
3050 Post Oak Blvd Suite 500  
Houston, Texas 77056

Re: [Loan] Agreement dated as of August 16, 2005 (as amended from time to time, the "*Financing Agreement*"), among Royce Homes, LP ("*Royce Homes*"), and the "*Companies*" as defined below, and Key Bank, as lender ("*Lender*"); unless otherwise defined herein, all terms used herein shall have the meanings given such terms in the *Financing Agreement*.

Mr. Swanson:

The Companies have advised Lender that John Speer (the "*Buyer*") intends to enter into a Contribution Agreement and Interest Purchase Agreement with Michael G. Manners, DWM Holdings, Inc. and Saracen Holdings, Inc. (collectively the "*Seller*"), pursuant to which (a) Seller and Buyer (together with the other owners of the Companies which are affiliates of Buyer) will contribute their direct and indirect ownership interests in the Companies to a newly formed limited partnership known as Royce Holdings, L.P. and (b) Seller will sell to Buyer and Buyer will purchase all equity interests of Seller in Royce Holdings, L.P.

The Companies contributed by the Buyer and Seller to Royce Holdings, LP consist of Royce Homes, L.P., Park Lake Communities, L.P., Royce Model Homes, LP, Royce HomesPhoenix, LLC, Royce Homes Construction, LLC, Hammersmith Financial, LP, and TCH Financial, L.P., together with all subsidiaries of such entities including but not limited to Royce Homes - Atlanta, LLC, Royce Homes - Dallas, L.P., Royce Homes - North Carolina, L.L.C., Texas Colonial Homes, L.P. and TCH Land, LP (all such entities are referred to singularly or collectively as the "*Company*" or the "*Companies*", and such transaction or series of transactions are hereinafter referred to as the "*Ownership Consolidation*").

Lender hereby expressly (1) consents to the consummation of the *Ownership Consolidation*, (2) waives the Companies' compliance with any provisions in the *Financing Agreement*, or in any security agreement, deed of trust, mortgage, promissory note, collateral agreement or other loan document executed by any Company in connection with the loans and extensions of credit under the *Financing Agreement*, that would prohibit the change of control and transfer of ownership

Royce Homes • Esprece Homes • Texas Colonial Homes • Enclave Homes • Michael Thomas Estate Homes  
Hammersmith Financial

Atlanta • Houston • Phoenix • Dallas/Fort Worth

AMEGY007481

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interests that are contemplated by the Ownership Consolidation, (3) waives any potential default, default or event of default (however therein referred to or defined) under the Financing Agreement, or in any security agreement, deed of trust, mortgage, promissory note, collateral agreement, or other loan document executed by any Company in connection with the loans and extensions of credit under the Financing Agreement that would arise as a result of the Ownership Consolidation or the transaction contemplated in connection therewith, and (4) waives any potential default, default or event of default (however therein referred to or defined) under any other indebtedness or obligations of any of the Companies to Lender or under any document executed by any Company in connection with such indebtedness or obligations that would arise as a result of the Ownership Consolidation or the transaction contemplated in connection therewith.

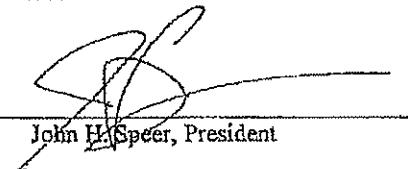
The consent and waiver herein are each a one-time consent and waiver, and nothing contained herein shall obligate Lender to grant any additional or future consent or waiver with respect to any other provision in the Financing Agreement, any security agreement, deed of trust, mortgage, promissory note, collateral agreement, or other loan document executed by the Companies in connection with the loans and extensions of credit under the Financing Agreement, or in connection with any other indebtedness of any Company to Lender.

If you are in agreement with the foregoing, please execute this letter in the space indicated below and return an executed counterpart of this letter to Porter & Hedges, L.L.P., counsel to the Companies, at 1000 Main Street, 36<sup>th</sup> Floor, Houston, Texas 77002, Attn: Joyce Kao Soliman (fax 713-226-6685 / [jsoliman@porterhedges.com](mailto:jsoliman@porterhedges.com)). This consent and waiver will be effective and shall constitute a valid and binding agreement of the Companies and Lender when counterparts of this letter have been executed and delivered by the Companies and Lender. It is not necessary that all signatures appear on the same counterpart. Facsimiles or PDF (portable document format) copies are effective as originals.

Sincerely,

**ROYCE HOMES, L.P.**,  
on behalf of itself and the other Companies referred  
to in this letter

By:

  
John H. Speer, President

Accepted and Agreed as of *September 5*, 2006.

KEY BANK

By:   
Name: JOHN A. SWANSON  
Title: VICE PRESIDENT

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08/25/2006

  
toycebuilders.com

**CONSENT AND WAIVER**

August 16, 2006

Mr. Steve Eberhardt  
Texas Capital Bank  
2100 McKinney Avenue  
Suite 900  
Dallas, Texas 75201

Re: [Loan] Agreement dated as of August 31, 2004 (as amended from time to time, the "Financing Agreement"), among Royce Homes, L.P. ("Royce Homes"), and the "Companies" as defined below; and Texas Capital Bank, as lender ("Lender"); unless otherwise defined herein, all terms used herein shall have the meanings given such terms in the Financing Agreement.

Mr. Eberhardt:

The Companies have advised Lender that John Speer (the "Buyer") intends to enter into a Contribution Agreement and Interest Purchase Agreement with Michael G. Mansoor, DWM Holdings, Inc. and Saracen Holdings, Inc. (collectively the "Seller"), pursuant to which (a) Seller and Buyer (together with the other owners of the Companies which are affiliates of Buyer) will contribute their direct and indirect ownership interest in the Companies to a newly formed limited partnership known as Royce Holdings, L.P., and (b) Seller will sell to Buyer, and Buyer will purchase all equity interests of Seller in Royce Holdings, L.P.

The Companies contributed by the Buyer and Seller to Royce Holdings, L.P. consist of Royce Homes, L.P., Park Lake Communities, L.P., Royce Model Homes, L.P., Royce Homes Phoenix, L.L.C., Royce Homes Construction, L.L.C., Hammersmith Financial, L.P. and TCH Financial, L.P., together with all subsidiaries of such entities (including but not limited to Royce Homes - Atlanta, L.L.C., Royce Homes - Dallas, L.P., Royce Homes - North Carolina, L.L.C., Texas Colonial Homes, L.P. and TCH Land, L.P. (all such entities are referred to singularly or collectively as the "Company" or the "Companies", and such transaction or series of transactions are hereinafter referred to as the "Ownership Consolidation").

Lender hereby expressly (1) consents to the consummation of the Ownership Consolidation, (2) waives the Companies' compliance with any provisions in the Financing Agreement, or in any security agreement, deed of trust, mortgage, promissory note, collateral agreement, or other loan document executed by any Company in connection with the loan and extension of credit under the Financing Agreement, that would prohibit the change of control and transfer of ownership.

Royce Homes • Inspire Homes • Texas Colonial Homes • Uncle Dave's Homes • Michael Thomas Estate Homes  
Hammersmith Financial  
Atlanta • Houston • Phoenix • Dallas • Fort Worth

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interests that are contemplated by the Ownership Consolidation, (3) waives any potential default, default or event of default (however herein referred to or defined) under the Financing Agreement or in any security agreement, deed of trust, mortgage, promissory note, collateral agreement, or other loan document executed by any Company in connection with the loans and extensions of credit under the Financing Agreement that would arise as a result of the Ownership Consolidation or the transaction contemplated in connection therewith, and (4) waives any potential default, default or event of default (however herein referred to or defined) under any other indebtedness or obligations of any of the Companies to Lender or under any document executed by any Company in connection with such indebtedness or obligations that would arise as a result of the Ownership Consolidation or the transaction contemplated in connection therewith.

The consent and waiver herein are each a one-time consent and waiver, and nothing contained herein shall obligate Lender to grant any additional or future consent or waiver with respect to any other provision in the Financing Agreement, any security agreement, deed of trust, mortgage, promissory note, collateral agreement, or other loan document executed by the Companies in connection with the loans and extensions of credit under the Financing Agreement, or in connection with any other indebtedness of any Company to Lender.

If you are in agreement with the foregoing, please execute this letter in the space indicated below and return an executed counterpart of this letter to Portier & Hedges, LLP, counsel to the Companies, at 1000 Main Street, 30<sup>th</sup> Floor, Houston, Texas 77002, Attn: Joyce Xiao-Sullivan (713-226-6685 / [jxsullivan@portierhedges.com](mailto:jxsullivan@portierhedges.com)). This consent and waiver will be effective and shall constitute a valid and binding agreement of the Companies and Lender when two (2) pairs of this letter have been executed and delivered by the Companies and Lender. It is not necessary that all signatures appear on the same counterpart. Facsimiles or PDF (portable document format) copies are effective as originals.

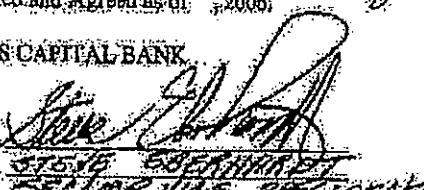
Sincerely,

**ROYCE HOMES, LP,**  
on behalf of itself and the other Companies referred  
to in this letter

By:   
John H. Speer, President

Accepted and Agreed as of 2006

TEXAS CAPITAL BANK

By:   
Name: John H. Speer  
Title: SENIOR VICE PRESIDENT

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**roycebuilders.com**

**CONSENT AND WAIVER**

August 16, 2006

Mr. Garrett Longwell  
Capital One  
5718 Westheimer  
Suite 100  
Houston, Texas 77057

Re: [Loan] Agreement dated as of June 4, 1997 (as amended from time to time, the "*Financing Agreement*"); among Royce Homes, LP ("Royce Homes"), and the "*Companies*" as defined below, and Capital One, as lender ("Lender"); unless otherwise defined herein, all terms used herein shall have the meanings given such terms in the Financing Agreement.

Mr. Longwell:

The Companies have advised Lender that John Speer (the "Buyer") intends to enter into a Contribution Agreement and Interest Purchase Agreement with Michael G. Manners, DWM Holdings, Inc. and Saracen Holdings, Inc. (collectively the "Seller"), pursuant to which (a) Seller and Buyer (together with the other owners of the Companies which are affiliates of Buyer) will contribute their direct and indirect ownership interests in the Companies to a newly formed limited partnership known as Royce Holdings, L.P. and (b) Seller will sell to Buyer and Buyer will purchase all equity interests of Seller in Royce Holdings, L.P.

The Companies contributed by the Buyer and Seller to Royce Holdings, LP consist of Royce Homes, L.P., Park Lake Communities, L.P., Royce Model Homes, LP, Royce HomesPhoenix, LLC, Royce Homes Construction, LLC, Hammersmith Financial, LP, and TCH Financial, L.P., together with all subsidiaries of such entities including but not limited to Royce Homes - Atlanta, LLC, Royce Homes - Dallas, L.P., Royce Homes - North Carolina, L.L.C., Texas Colonial Homes, L.P. and TCH Land, LP (all such entities are referred to singularly or collectively as the "*Company*" or the "*Companies*", and such transaction or series of transactions are hereinafter referred to as the "*Ownership Consolidation*").

Lender hereby expressly (1) consents to the consummation of the Ownership Consolidation, (2) waives the Companies' compliance with any provisions in the Financing Agreement, or in any security agreement, deed of trust, mortgage, promissory note, collateral agreement or other loan document executed by any Company in connection with the loans and extensions of credit under the Financing Agreement, that would prohibit the change of control and transfer of ownership

Royce Homes • Espre Homes • Texas Colonial Homes • Enclave Homes • Michael Thomas Estate Homes  
Hammersmith Financial

Atlanta • Houston • Phoenix • Dallas/Fort Worth

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interests that are contemplated by the Ownership Consolidation, (3) waives any potential default, default or event of default (however therein referred to or defined) under the Financing Agreement, or in any security agreement, deed of trust, mortgage, promissory note, collateral agreement, or other loan document executed by any Company in connection with the loans and extensions of credit under the Financing Agreement that would arise as a result of the Ownership Consolidation or the transaction contemplated in connection therewith, and (4) waives any potential default, default or event of default (however therein referred to or defined) under any other indebtedness or obligations of any of the Companies to Lender or under any document executed by any Company in connection with such indebtedness or obligations that would arise as a result of the Ownership Consolidation or the transaction contemplated in connection therewith.

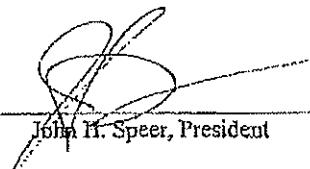
The consent and waiver herein are each a one-time consent and waiver, and nothing contained herein shall obligate Lender to grant any additional or future consent or waiver with respect to any other provision in the Financing Agreement, any security agreement, deed of trust, mortgage, promissory note, collateral agreement, or other loan document executed by the Companies in connection with the loans and extensions of credit under the Financing Agreement, or in connection with any other indebtedness of any Company to Lender.

If you are in agreement with the foregoing, please execute this letter in the space indicated below and return an executed counterpart of this letter to Porter & Hedges, L.L.P., counsel to the Companies, at 1000 Main Street, 36<sup>th</sup> Floor, Houston, Texas 77002, Attn: Joyce Kao Soliman (fax 713-226-6685 / [jsoliman@porterhedges.com](mailto:jsoliman@porterhedges.com)). This consent and waiver will be effective and shall constitute a valid and binding agreement of the Companies and Lender when counterparts of this letter have been executed and delivered by the Companies and Lender. It is not necessary that all signatures appear on the same counterpart. Facsimiles or PDF (portable document format) copies are effective as originals.

Sincerely,

**ROYCE HOMES, LP,**  
on behalf of itself and the other Companies referred  
to in this letter

By: \_\_\_\_\_

  
John H. Speer, President

Accepted and Agreed as of 8/22/2006.

CAPITAL ONE

By: GARRET LONGWELL  
Name: GARRET LONGWELL  
Title: VICE PRESIDENT

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